

# UNNUMBERED LETTERS ISSUED FOR THE MONTH OF JUNE 2002

Dated	Subject	Distribution
06-06-02	Intermediary Relending Program Notice of Third Funding Cycle Lower Mississippi Delta	S/D
	Personnel Bulletin No. 752-2 - Third Quarter Report Discipline-Discrimination Cases	S/D
06-12-02	Rural Economic Development Loan and Grant Program Projects Funded for Third Quarter Fiscal Year 2002	S/D
	Non-Recoverable Program Loan Cost Expense Fund Year-end Procedures, FY 2002	S/D
	Business and Industry Guaranteed Loan Program Loans Involving the Former B&I Lending, LLC	S/D
06-13-02	Intermediary Relending Program Empowerment Zones/Enterprise Communities/Rural Economic Area Partnerships Earmark Second Funding Cycle	S/D
	Intermediary Relending Program Native American Earmark Second Funding Cycle	S/D
06-14-02	Notice Postings by the Labor Relations Staff	S/D
06-17-02	Interest Rates for Community Facilities	S/D, D/D, C/S
	Interest Rate Changes for Housing Programs and Credit Sales (Nonprogram)	S/D, D/D, C/S
06-18-02	ICAMS Users Conference	S/D
	Rural Development Application Processing Tracking System, Phase I	S/D
06-20-02	Clarification of Procedures for Computer Related Trouble Calls at RD Headquarters	N.O.Employees
	Interest Rate for Direct Business and Industry Loans	S/D, D/D, C/S

06-21-02	Interest Rates for Water and Waste Disposal Loans, Watershed Protection and Flood Prevention Loans, and Resource Conservation and Development Loans	S/D, D/D, C/S
06-24-02	A-76 Competitive Sourcing Plan	S/D
06-26-02	Revised Balancing Single Family Housing Direct Loan Underwriting Objectives With Serving the Most Needy Applicants	S/D
06-27-02	Rural Business Enterprise Grant Program Empowerment Zones/Enterprise Communities and Rural Economic Area Partnerships Fiscal Year 2002 Second Funding Round Selections	S/D
	Rural Business Enterprise Grant Program Lower Mississippi Delta Earmark Fiscal Year 2002 Second Funding Round Selections	S/D
	Rural Business Enterprise Grant Program Native American Earmark Fiscal Year 2002 Second Funding Round Selections	S/D
	Rural Business Opportunity Grant Program Empowerment Zones/Enterprise Communities and Rural Economic Area Partnerships Earmark Fiscal Year 2002 Second Round Funding Selections	S/D
	Rural Business Opportunity Grant Program Mississippi Delta Earmark Fiscal Year 2002 Second Round Funding Selections	S/D
	Rural Business Opportunity Grant Program Native American Earmark Fiscal Year 2002 Second Round Funding Selections	S/D
06-29-02	Secretary's Management Report to Congress October 1, 2001 – March 31, 2002	S/D

June 6, 2002

SUBJECT: Intermediary Relending Program  
Notice of Third Funding Cycle  
Lower Mississippi Delta

TO: State Directors, Rural Development

ATTN: Business Programs Directors

The Rural Business-Cooperative Service Specialty Lenders Division (SLD) recently completed selections of all Intermediary Relending Program requests for earmarked funds for the second funding cycle in fiscal year 2002. There were no requests received for the second funding cycle under the Lower Mississippi Delta (Delta) earmark; therefore, a third and final cycle will be held.

There is \$7,981,948 available for the third cycle. The deadline for requests for the final cycle must be received in the National Office by close of business **August 30, 2002**. All requests should be e-mailed to Lori Washington, SLD Loan Specialist ([lori.washington@usda.gov](mailto:lori.washington@usda.gov)), with an e-mail copy to Donald E. Scruggs, Director, SLD ([donald.scruggs@usda.gov](mailto:donald.scruggs@usda.gov)).

***(Signed by William F. Hagy III)***

WILLIAM F. HAGY III  
Deputy Administrator  
Business Programs

EXPIRATION DATE:  
September 30, 2002

FILING INSTRUCTIONS:  
Community/Business Programs

SUBJECT: Personnel Bulletin No. 752-2 - Third Quarter Report  
Discipline-Discrimination Cases

TO: Rural Development State Directors  
ATTN: Administrative Programs Directors and  
Human Resources Managers  
Marie Carver, Chief, St. Louis Field Services Branch  
Rose Mary Rowland, Chief, HQ Personnel Services Branch

DATE: June 6, 2002

The third quarter Fiscal Year 2002 report for any Discipline-Discrimination cases will be **due June 17, 2002**. We need your response by this date in order to submit a consolidated report to USDA's Office of Human Resources Management by June 26. **Each succeeding report will include the information from the prior report and be cumulative for the fiscal year.** The reporting period for this quarter is April 1-June 30, 2002.

**Personnel Bulletin**

Bulletin 752-2, Discipline-Discrimination  
Cases

**Report**

Please provide the number of cases referred to your office for consideration of Government-wide or Department-wide civil rights disciplinary or adverse action on one or more allegations that an employee committed an act or acts violating civil rights policies. The disciplinary quarterly report includes cases that involve agencies taking "other corrective actions" e.g., training, counseling, retirement, or resignations due to the civil rights case, etc. (Format is attached.)

EXPIRATION DATE:  
December 31, 2002

FILING INSTRUCTIONS:  
Administrative/Other Programs

Please submit your reports to Linda Dennison via fax at (202) 692-0295. She may be reached at (202) 692-0198, if you have any questions. Negative reports may be e-mailed to Linda at [ldenniso@rdmail.rural.usda.gov](mailto:ldenniso@rdmail.rural.usda.gov). Your efforts in sending this report to us by the **June 17** deadline are greatly appreciated.

*(Signed by Diana Shermeyer)*

DIANA SHERMEYER  
Director  
Mission Area Personnel Services Division

Attachment

**Employee Relations Report**  
**Personnel Bulletin 752-2: Discipline B Discrimination Cases**  
**Third Quarter of Fiscal Year 2002**  
**Cumulative Report October 2001 - September 2002**

**Date of Report:** June 30, 2002

**Name of Reporting Mission Area:** Rural Development

**State/Office Being Reported:**

**PART 1:** This report covers cases referred by any source to an Employee Relations office for consideration of disciplinary or adverse action, or any other corrective actions (e.g., training, counseling, retirement or resignations due to the civil rights case, etc.) on one or more allegations that an employee has committed an act or acts violating Government-wide and/or Department civil rights policies.

This report is cumulative for October 2001 - September 2002. Each succeeding report will include the information from the prior report. (Example: The number of removal actions taken in the first quarterly report is 2, and 2 more removal actions are decided in the next quarter. The number reported for cases received is 4.) The report separates cases involving employment discrimination (AE@) and program discrimination (AP@). The report concerns only actions completed by the mission area. Do not report cases in which action is under consideration or proposed. Do not divide cases and/or report them by fractions.

a.	Removal	E _____	P _____
b.	Suspension 15 or more days	E _____	P _____
c.	Suspension 14 or less days	E _____	P _____
d.	Reduction in Grade/Pay	E _____	P _____
e.	Letters of Reprimand	E _____	P _____
f.	Other Corrective Action: <u>e.g. Resignation</u>	E _____	P _____
g.	Other Corrective Action: _____	E _____	P _____
h.	Other Corrective Action: _____	E _____	P _____
<b>Totals</b>		<b>E _____</b>	<b>P _____</b>
<b>Total E plus Total P =</b>		<b>_____</b>	

**PART 2:**

Provide the following information on a separate report. Provide the following for individual cases: 1) Date of Disciplinary or Other Corrective Action; 2) Names and Grade Level of Employees; 3) Type of Disciplinary or Other Corrective Action Taken; 4) Action Based on Formal Finding of Investigation or Other Non- Civil Rights/EEO Case; and, 5) Based on Employment or Program Case. Provide the following information for each new case reported for the quarter only. Do not report cases in which action is under consideration or proposed. The number of disciplinary or other corrective action cases and the number of employment/program cases must agree with the new quarterly numbers reported in Part 1.

**Signature of Reporting Individual:** \_\_\_\_\_

**Title of Reporting Individual:** \_\_\_\_\_

**Telephone Number of the Reporting Individual:** \_\_\_\_\_

June 12, 2002

SUBJECT: Rural Economic Development Loan and Grant Program  
Projects Funded for Third Quarter Fiscal Year 2002

TO: State Directors, Rural Development

ATTN: Business Programs Directors

The Rural Business-Cooperative Service (RBS) has announced loan and grant selections for the third quarter of fiscal year (FY) 2002 under the Rural Economic Development Loan and Grant (REDLG) Program. A listing of loan and grant awards is attached for your information.

During the third quarter of FY 2002, 16 loan applications totaling \$6.1 million were considered by RBS for financing. Eight applications were selected for funding. These 8 zero-interest loans will be leveraged by \$76 million of private and public financing and will directly create 355 jobs in rural areas and help sustain 221 existing positions. In addition, 1 grant application for \$85,000 to enhance an existing revolving loan fund was considered and selected for funding.

For those utilities that had requests in the National Office for consideration during the third quarter but were not selected for funding, the State Office should notify the utilities of nonselection. Under the REDLG program, the National Office will consider a request for funding during four consecutive funding periods. Those utilities that were not selected may make modifications to their projects at this time if they so desire. All project changes must be evaluated by the State Office. For those projects being modified, revised project evaluations must be filed with the National Office by no later than close of business July 15, 2002, for reconsideration during the fourth quarter FY 2002 funding period. If a utility wishes to withdraw its application from consideration, please notify the Specialty Lenders Division (SLD) of RBS accordingly.

The deadline for receipt of new REDLG funding requests in the National Office for consideration during the fourth quarter FY 2002 funding period is **close of business June 28, 2002**. The amount of funds available for the fourth quarter funding period is \$1.495 million.

EXPIRATION DATE:  
September 30, 2002

FILING INSTRUCTIONS:  
Community/Business Programs



If you have any questions concerning this memorandum or would like further information on any of the third quarter REDLG awards, please contact Patricia Wing, Loan Specialist, SLD Processing Branch, (202) 720-9558.

***(Signed by William F. Hagy III)***

WILLIAM F. HAGY III  
Deputy Administrator  
Business Programs

Attachments

**Rural Business-Cooperative Service  
Business Programs**

**RURAL ECONOMIC DEVELOPMENT LOAN AND GRANT PROGRAM**

**THIRD QUARTER FY 2002 LOAN AWARDS**

<b>State</b>	<b>Project</b>	<b>Priority Points</b>	<b>Loan Amount</b>
MO	White River Valley Electric Cooperative, Inc.	293	\$450,000
TN	Gibson Electric Membership Corporation	280	400,000
NE	Great Plains Communications, Inc.	270	250,000
IA	Allamakee-Clayton Electric Cooperative	265	200,000
MO	Farmers' Electric Cooperative, Inc.	258	450,000
KS	Bluestem Electric Cooperative, Inc.	255	450,000
MN	Federated Rural Electric Association	251	450,000
SD	Midstate Communications, Inc.	249	<u>403,000</u>
<b>8 Loans</b>		<b>Total</b>	<b>\$3,053,000</b>

**THIRD QUARTER FY 2002 GRANT AWARD**

<b>State</b>	<b>Project</b>	<b>Priority Points</b>	<b>Grant Amount</b>
TN	Sequachee Valley Electric Cooperative	217	<u>\$85,000</u>
<b>1 Grant</b>		<b>Total</b>	<b>\$85,000</b>

**RURAL ECONOMIC DEVELOPMENT LOAN AWARDS  
THIRD QUARTER FISCAL YEAR 2002**

**Description of Projects**

- **White River Valley Electric Cooperative, Inc., Branson, Missouri**  
Equipment for underground storage business - \$450,000

The loan will assist JABCO, LLC, d/b/a Branson Underground, in financing equipment for its new mined underground storage facility located in Branson, Taney County, Missouri. Branson Underground will provide state-of-the-art computerized inventory tracking, warehousing, and distribution services for its clients. In addition to storage and handling, Branson Underground will offer cross-dock service, order fulfillment, packaging, and labeling. Branson Underground proposes a full compliment of storage areas to fit short or long-term storage requirements. In the first phase, there will be approximately 185,000 square feet of combined freezer area and cold storage kept between 48 and minus 10 degrees, and 60,000 square feet of dry storage capacity kept at a constant 60 degrees year round with humidity control. Existing rock walls are used to separate the space into rooms or individual compartments, ranging from 17 feet to 32 feet, allowing a wide range of items, such as food commodities, critical records, and medical supplies to be stored. The underground storage provides a shelter immune from most natural and man-made disasters as fire, theft, civil disorder, aircraft crashes, tornadoes, lightning, and bombs. Branson Underground plans to employ 100 full time workers. Total estimated cost of the project is \$8.4 million.

- **Gibson Electric Membership Corporation, Trenton, Tennessee**  
Equipment for food processing manufacturer - \$400,000

The loan will assist Williams Sausage Company, Inc. (Williams), in financing the purchase of new food processing equipment for its business located in Obion County, Tennessee. Williams is a family-owned business that was established in 1958. The company processes and sells pork sausages and related products to wholesale distributors, retail stores, institutional distributors, and restaurant chains throughout several states. The company currently employs 140 workers. Williams is planning the construction of a 30,000 square foot plant addition and the purchase of highly technical cooking and refrigeration equipment that will enable the company to produce an array of new products. It is anticipated that 60 new job opportunities will be created as a result of the plant expansion. Total cost of the project is estimated to be \$6 million.

- **Great Plains Communications, Inc., Blair, Nebraska**  
Building for multi-tenant use - \$250,000

The loan will assist the Bloomfield Community Foundation, Inc. (BCF), in financing the construction of a 10,200 square foot office building in Bloomfield, Knox County, Nebraska. The building will have the capacity to house two tenants, one of which is the First National Bank of Omaha (FNBO). FNBO proposes to house a call center in its half of the building. FNBO operates several successful call centers located in Nebraska and South Dakota. The remaining portion of the building will be constructed in anticipation of expansion by FNBO or to meet the needs of a second tenant. The FNBO call center will initially provide 25 new jobs for the local rural area. Total cost of the BCF building project is \$500,000.

- **Allamakee-Clayton Electric Cooperative, Postville, Iowa**  
Building expansion for wire fabricator- \$200,000

The loan will assist Kol-Gol, Inc. (Kol-Gol), in financing the construction of a new 32,000 square foot building in rural Allamakee County, Iowa, to provide needed manufacturing and storage space. Kol-Gol is a manufacturer of a wide range of fabricated wire display racks for retail stores and a line of holders and brackets for agricultural applications. Kol-Gol currently employs 23 full-time workers and expects to add 10 new positions as a result of the expansion. Total cost of the project is \$1.05 million.

- **Farmers' Electric Cooperative, Inc., Chillicothe, Missouri**  
Building improvements and equipment for clothing manufacturer - \$450,000

The loan will assist Gear for Sport, Inc. (GSI), a clothing manufacturer, in financing building renovations and equipment purchases for a new 50,000 square foot facility being acquired in Chillicothe, Livingston County, Missouri. GSI, headquartered in Overland Park, Kansas, will use the Chillicothe facility for screen-printing and production of embroidered sportswear. The company has exclusive merchandising agreements with major sporting events such as the NCAA Final Four, Big 10 and Big 12 Championships, NASCAR, NBA, PGA, and the NHL. The new facility is expected to employ 116 local workers. The estimated total cost of the project is \$1.65 million.

- **Bluestem Electric Cooperative, Inc., Wamego, Kansas**

Building for farm equipment dealership - \$450,000

The loan will assist Kaw Valley Equipment, Inc (KVE), a full line retail John Deere farm equipment dealership, in financing the construction of a new facility near the city of Wamego, Pottawatomie County, Kansas. KVE presently operates its business out of three separate leased locations in Wamego. The new facility will permit KVE to centralize its operations and allow for future growth. KVE currently employs 15 workers and expects to add 10 new job opportunities as a result of its expansion. Total cost of the project is \$1.193 million.

- **Federated Rural Electric Association, Jackson, Minnesota**

Equipment for new soybean oilseed facility - \$450,000

The loan will assist Cenex Harvest States (CHS) in financing the purchase of equipment necessary to establish a soybean oilseed processing facility near Fairmont in Martin County, Minnesota. The project will help meet the higher demand for soybean products and provide a soybean processing facility close to producers and with access to transportation systems. The CHS facility will have a total grain storage capacity of over 1 million bushels. Martin County has the largest number of soybean bushels produced in the State of Minnesota. The proposed facility will receive and store raw soybeans from local farmers and regional grain elevators where the beans will be cleaned and processed. Initially, the facility will ship the processed product to another site for refining. A second phase of the construction will add a vegetable oil refining system at the site. The site of the proposed facility is 198 acres northwest of Fairmont. Facility buildings will cover 26 acres of the site. The facility will employ 34 full time workers. Total cost of the project is \$59.4 million.

- **Midstate Communications, Inc., Kimball, South Dakota**

Multipurpose activity center for Kimball School - \$403,000

The loan will assist the Kimball School District in constructing a 32,500 square foot addition to the new Kimball School being constructed in Kimball, Brule County, South Dakota. The new addition will include a multipurpose activity/wellness center that will be shared by the school district and the community. The intent of the multipurpose center is to create a facility for community meetings, cultural events and performances, and school athletic activities. Kimball, a town of 750 people, does not have such a facility at this time. The Kimball School includes all grades from kindergarten to senior high and employs 43 full-time and 12 part-time workers. Total cost of the multipurpose activity center is \$835,000.

**RURAL ECONOMIC DEVELOPMENT GRANT AWARD  
THIRD QUARTER FISCAL YEAR 2002**

**Description of Project**

- **Sequachee Valley Electric Cooperative, South Pittsburg, Tennessee**  
Computer equipment for Sequatchie County School District - \$85,000

The grant will be used to re-capitalize an existing revolving loan fund. The initial zero-interest loan will be made to the Sequatchie County School District (School District) to assist in financing the purchase of 45 computers, printers, computer desks, software, and other related costs. The computer equipment will be used by students of the School District as well as in training classes being developed by the Sequatchie County Chamber of Commerce for local businesses. The primary focus of this project is to stimulate long-term improvements in educational instruction and workforce development in Sequatchie County. The School District anticipates the creation of 2 jobs as a result of the project. The total cost of the project is \$116,000.

June 12, 2002

TO: Rural Development  
State Directors

FROM: Arthur A. Garcia     *(Signed by David J. Villano)*  
Administrator  
Rural Housing Service

SUBJECT: Non-Recoverable Program Loan Cost Expense Fund Year-  
end Procedures, FY 2002

This memorandum is notification that all **non-recoverable** Program Loan Cost Expense (PLCE) funds not obligated by COB, **August 30, 2002**, will be pooled.

All pooled funds will revert to National Office reserves. Only emergency needs after the pooling date will be considered for funding from the National Office reserves, and there is no guarantee that we will be able to fund all requests. You are therefore advised to plan the remainder of your FY 2002 commitments requiring non-recoverable funds (e.g., Multi-Family Housing appraisals, cost certifications, mortgage releases, etc.) accordingly. You should also obligate any estimated recurring non-recoverable expenses that you will incur during the remainder of the year such as profile credit reports which are normally billed at the end of each month.

It is still our policy that requests for additional funds not be submitted until you have obligated at least 90 percent of the allocation for your state. The amount of FY 2002 non-recoverable reserves obtained by pooling the balances in your PLCE Salaries and Expense Accounts is difficult to estimate, but will undoubtedly be extremely limited.

Please contact Carl Muhlbauer, Program Support Staff, at (202) 690-2141, if you have any questions concerning this memorandum.

EXPIRATION DATE:  
September 30, 2002

FILING INSTRUCTIONS:  
Administrative/Other Programs

Sent by Facsimile on 06-12-02 at 10:11 a.m. by PSS. State Director should inform all appropriate personnel.

June 12, 2002

SUBJECT: Business and Industry Guaranteed Loan Program  
Loans Involving the Former B&I Lending, LLC

TO: State Directors, Rural Development

ATTN: Business Programs Directors

This is in followup to the unnumbered letter dated March 7, 2002, regarding subject. The former B&I Lending, LLC, is operating as a subsidiary of Bridgeview Bank and Trust under the name Bridgeview Capital Solutions (BCS). BCS has provided evidence to the Agency that it is a mortgage company that is part of a bank-holding company and, therefore, considered a traditional lender.

Since BCS is an eligible lender for the Business and Industry Guaranteed Loan Program, a transfer or substitution of lender is required for loans where B&I Lending, LLC, is the lender. For those loans that have an outstanding Conditional Commitment and the Loan Note Guarantee has not been issued, a transfer of lender is required, in accordance with RD Instruction 4279-B, section 4279.174. For those loans where the Loan Note Guarantee has been issued, a substitution of lender is required, in accordance with RD Instruction 4287-B, section 4287.135. For those loans within your delegated loanmaking and servicing authorities, you should ensure that the casefiles contain the proper documentation for the approval of the transfer or substitution of lender, the Rural Community Facilities Tracking System is updated to reflect the change, and the Finance Office is notified in the case of a substitution of lender (using Form RD 1980-42, "Notice of Substitution of Lender"). For those loans outside of your delegated loanmaking and servicing authorities, National Office concurrence is required prior to processing the request.

If you have any questions, please contact the B&I Division at (202) 690-4103.

*(Signed by Luis Luna) for*

JOHN ROSSO  
Administrator  
Rural Business-Cooperative Service

EXPIRATION DATE:  
Discard when no longer necessary

FILING INSTRUCTIONS:  
Community/Business Programs



June 13, 2002

SUBJECT: Intermediary Relending Program  
Empowerment Zones/Enterprise Communities/  
Rural Economic Area Partnerships Earmark  
Second Funding Cycle

TO: State Directors, Rural Development

ATTN: Business Programs Directors

This is the Fiscal Year 2002 second funding cycle allocation for the Intermediary Relending Program (IRP) Empowerment Zones/Enterprise Communities/Rural Economic Area Partnerships (EZ/EC/REAP) Earmark. The priority points for this project is inclusive of any Administrator points that were awarded. The allocation is as follows:

State	Project Name	Amount	Priority Points
WV	Mountain CAP of West Virginia, Inc.	\$750,000	85
<b>Total</b>		<b>\$750,000</b>	

IRP EZ/EC/REAP earmarked funds should be obligated through the Automated Discrepancies Processing System (ADPS). Please ensure that **type of assistance code 144** is used for the EZ/EC/REAP earmark to keep track of the use of these funds.

This was the only complete request received for the second cycle. Please note that this is the final cycle for this fiscal year for EZ/EC/REAP earmarked funding. There is an unobligated balance of \$4,067,981.94 for this earmark which will be pooled on June 30, 2002.

*(Signed by William F. Hagy III)*

WILLIAM F. HAGY III  
Deputy Administrator  
Business Programs

EXPIRATION DATE:  
September 30, 2002

FILING INSTRUCTIONS:  
Community/Business Programs

June 13, 2002

SUBJECT: Intermediary Relending Program  
Native American Earmark  
Second Funding Cycle

TO: State Directors, Rural Development

ATTN: Business Programs Directors

These are the Fiscal Year 2002 second funding cycle allocations for the Intermediary Relending Program (IRP) Native American Earmark. The priority points for each project are inclusive of any Administrator points that were awarded. The allocations are as follows:

State	Project Name	Amount	Priority Points
WA	Affiliated Tribes of Northwest Indians - Economic Development Corporation	\$ 750,000	219
NV	Rural Nevada Development Corporation	\$ 500,000	200
ND	Three Affiliated Tribes Tourism and Independence Development Center	\$ 250,000	191
<b>Total</b>		<b>\$1,500,000</b>	

IRP Native American earmarked funds should be obligated through the Automated Discrepancies Processing System (ADPS). Please ensure that **type of assistance code 316** is used for the Native American earmark to keep track of the use of these funds.

EXPIRATION DATE:  
September 30, 2002

FILING INSTRUCTIONS:  
Community/Business Programs

All requests received for the second cycle were funded. There is \$2,489,817.17 remaining for this earmark. The deadline for requests for the final cycle to be received in the National Office is **close of business on August 30, 2002**. All requests should be e-mailed to Lori Washington ([lori.washington@usda.gov](mailto:lori.washington@usda.gov)) with an e-mail copy to Donald E. Scruggs ([donald.scruggs@usda.gov](mailto:donald.scruggs@usda.gov)).

*(Signed by William F. Hagy III)*

WILLIAM F. HAGY III  
Deputy Administrator  
Business Programs

June 14, 2002

SUBJECT: Notice Postings by the Labor Relations Staff

TO: All National Office Officials

In May 2002, two "Notice(s) to All Employees" were posted in or near your work areas. These notices reflect an agreement that was made between management and the American Federation of State, County and Municipal Employees (AFSCME) Local 3870. Both notices MUST remain posted in their locations for a minimum period of 60 days. Due to some problems in ensuring these notices were posted, the posting period will not be completed until August 15, 2002. They cannot be taken down until that time. The notices are "official" notices and must not be altered, defaced, or covered by any other material. Each notice has a specific number at the bottom (WA-CA-01-0359 and 0360). Though the wording is similar, there are differences, so please DO NOT throw away one of the notices thinking it is a duplicate. The Labor Relations Staff (LRS) requests that you communicate this information to all of your staff so they understand our obligations. If you have any questions about where the notices are to be posted in your area, please contact a member of the LRS at (202) 692-0215.

As a result of the agreement reached, there are specific procedures for "how" we are to communicate information to AFSCME Local 3870 (also known as the Union). To ensure that we do not violate this agreement and to minimize additional problems with the Union, you are reminded that you should contact the LRS at (202) 692-0215 whenever you have a need to communicate or deal with bargaining unit employees on changes in working conditions. This is a *very* broad area and it cannot be stressed enough that these types of issues need to be checked with the LRS before taking any action to even discuss any changes with bargaining unit employees. AFSCME Local 3870 is the "exclusive representative" of bargaining unit employees in the Washington, D.C. metropolitan area (including the facilities in Rosslyn, Virginia, and in Beltsville, Maryland).

To further explain changes in working conditions and management's obligations under the Federal Service Labor-Management Relations Statute, the LRS will be preparing a memorandum for distribution to all managers and supervisors by July 31, 2002.

EXPIRATION DATE:  
August 31, 2002

FILING INSTRUCTIONS:  
Administrative/Other Programs

Your cooperation and assistance in this effort and your continued support of the Labor Relations Program are greatly appreciated.

*(Signed by Chris Kunz) for*

SARAH L. SMALLS  
Director  
Labor Relations Staff

Sent by electronic mail on 06-18-02, at 1:45 p.m. EST.

June 17, 2002

**SUBJECT :** Interest Rates for Community Facilities

**TO:** Rural Development State Directors,  
Rural Development Managers,  
and Community Development Managers

Effective from July 1, 2002, through September 30, 2002, the interest rates for direct community facility loans are as follows:

Poverty Line.....	unchanged at .....	4.500%
Intermediate.....	unchanged at .....	4.750%
Market.....	increased to .....	5.125%

Please notify appropriate personnel of these rates.

*(Signed by Arthur A. Garcia)*

ARTHUR A. GARCIA  
Administrator  
Rural Housing Service

Sent by Electronic Mail on 06/21/02 at 3/22/p.m. by PAD.

EXPIRATION DATE :  
September 30, 2002

FILING INSTRUCTIONS:  
Administrative/Other Programs

June 17, 2002

SUBJECT: Interest Rate Changes for Housing Programs  
and Credit Sales (Nonprogram)

TO: Rural Development State Directors,  
Rural Development Managers,  
and Community Development Managers

ATTN: Rural Housing, Program Director

The following interest rate, effective July 1, 2002, is changed as follows:

<u>Loan Type</u>	<u>Existing Rate</u>	<u>New Rate</u>
ALL LOAN TYPES		
Treasury Judgement Rate	2.360%	2.350%

The Department of Treasury, working with Congress has eliminated the auction of the 52-week bill. The Treasury Judgement rate therefore is no longer based on this auction. The Treasury Judgement rate is now based on the weekly average 1-year Constant Maturity Treasury (CMT) yield. The rate is published by the Federal Reserve System, Board of Governors. The current rate shown above is as of the week ending 5/31/02. The actual judgement rate that will be used will be the rate for the calendar week preceding the date the defendant becomes liable for interest.

EXPIRATION DATE:  
July 30, 2002

FILING INSTRUCTIONS:  
Administrative/Other Programs

This rate may be found by going to the Federal Reserve web site for the weekly average 1-year CMT yield ([www.federalreserve.gov/releases/h15/data/wf/tcm1y.txt](http://www.federalreserve.gov/releases/h15/data/wf/tcm1y.txt)).

Please notify appropriate personnel of this interest rate information.

*(Signed by Arthur A. Garcia)*

ARTHUR A. GARCIA  
Administrator  
Rural Housing Service

Sent by Electronic Mail on 05/24/02 at 3:08 p.m. by PAD.



June 18, 2002

SUBJECT: ICAMS Users Conference

TO: Rural Development State Directors

ATTN: Human Resources Managers, State Training  
Coordinators, Administrative Programs Directors

**ACTIONS REQUIRED:**

Make Hotel Reservations by: **June 18, 2002.**

The Combined Administrative Management System (CAMS) team recently sent out an announcement for the I\*CAMS (Internet CAMS) Users Conference to be held on July 8 – 12, 2002. The conference will be held at the Hilton Palacio del Rio Hotel, 200 South Alamo, San Antonio, Texas, 78205.

The conference will begin promptly at 2:15 p.m. on Monday, July 8, 2002, and conclude at 12:00 p.m. on Friday, July 12, 2002. Employees should plan on staying throughout the entire conference. Registration will be held Monday, July 8, 2002 from 10:00 a.m. to 6:30 p.m. and Tuesday, July 9 from 7:00 a.m. to 12:00 p.m. Please be sure to sign-in at the on-site registration desk, located on the Mezzanine Level, in front of the Salon del Rey meeting room. Attachment 1 is a course announcement with detailed information. Attachment 2 contains information on registration.

The National Office will pay travel and per diem expenses for one attendee from each State. If you choose to send more than one attendee, his/her travel and per diem must be paid by the State.

It is your responsibility to prepare the necessary documents for your attendees. Please code your travel authorization, voucher, and SF-182 with **21M8100MI**. SF-182s should be completed and submitted as usual.

EXPIRATION DATE:  
August 31, 2002

FILING INSTRUCTIONS:  
Administrative/Other Programs

If you have additional questions regarding this training, eligible trainees, or the hotel please contact Dave Balke, at 816-926-1715, or email at [david.balke@usda.gov](mailto:david.balke@usda.gov).

***(Signed by Neil A. Storms)***

NEIL A. STORMS  
Director  
Human Resources Training Division

2 Attachments

**ICAMS Users Conference  
San Antonio, Texas**

**July 8 – 12, 2002**

**HOTEL INFORMATION:** A block of rooms has been set aside for the nights of July 8-12, 2002, at the Hilton Palacio del Rio Hotel, 200 South Alamo, San Antonio, Texas, 78205; telephone 210-222-1400. Lodging costs are \$91 per night, plus taxes, for a single occupancy, and \$129 per night, plus taxes, for a double occupancy.

Reservations must be made **BEFORE June 18, 2002**. When calling the hotel, please identify yourself with the USDA/ICAMS block of rooms.

**PLEASE NOTE:** It is VERY IMPORTANT that reservations be made BEFORE THE CUT-OFF DATE. After that date, the block of rooms will be released for general sale, and the government rate may not be available. If you miss the cut-off date, it will be your responsibility to find other hotel accommodations.

**TAX EXEMPTION:** Rural Development has been approved by the State of Texas for exemption from sales/use tax. A tax exempt form may be obtained from your State Training Coordinator or faxed to you by calling Renee Glascon, HRDT, at 202 401-9705. However, you will be responsible for paying all of the other taxes charged by the hotel.

Facilities for people with disabilities are available at the Hilton Palacio del Rio Hotel. Any persons requiring disability facilities must request specific accommodations with the hotel when making their reservations.

Employees in need of any other special accommodations and/or services should contact David Balke..

The Hilton Palacio del Rio Hotel complies with the Hotel/Motel Fire Safety Act of 1990.

**TRANSPORTATION:** Transportation from the San Antonio International Airport is available via SA Trans at a cost of \$9 each way, or \$16 round-trip. The SA Trans may be found near the Baggage Claim Area. A taxi from the airport is approximately \$30 One-way.

**OTHER:** San Antonio, Texas, has a per diem rate of NTE \$133 daily. The maximum reimbursement for lodging is \$91 with an M&IE of \$42.

**PLEASE NOTE:** When approving participation in this conference, supervisors are reminded that entitlement to overtime pay for travel may be incurred under the Fair Labor Standards Act.

Please code your travel authorization, voucher, and SF-182 with **21M8100MI** for the attendee funded by the National Office. SF-182s should be completed and submitted as usual.

***USDA, i\*CAMS Users Conference  
Hilton Palacio del Rio Hotel  
San Antonio, Texas  
July 8 – 12, 2002***

REGISTRATION FORM

\*

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**Name**

---

**Title**

---

**Agency**

---

**City**

**State**

**Zip Code**

---

**Phone**

**Fax**

---

**E-mail**

---

**Special Needs**

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**Arrival Date**

**Departure Date**

**Please select one by typing an “x” in the box**

Conference attendee

☐

Conference speaker/presenter

☐

***Please send the registration form as an attachment via e-mail or fax it to:***

T&T Management, Inc.

Attn: Patricia Terrell

202-661-6119 Office phone

202-661-2175 Fax

[ttmanagement@att.net](mailto:ttmanagement@att.net)

\* - indicates to start typing here.

June 18, 2002

SUBJECT: Rural Development Application Processing Tracking System, Phase I

TO: State Directors, Rural Development

ATTN: Business and Community Program Directors

Phase I of the Rural Development Application Processing Tracking System (RDAPTS) is moving along, and software implementation is scheduled to take place this month. The software will be implemented, but, due to funding cycles both in Business Programs and Community Facilities, the Rural Community Facilities Tracking System (RCFTS) data will not be converted until sometime in August. However, before the data is converted, all errors/discrepancies must be cleaned up. We have had several field and National Office personnel meet in St. Louis to clean up errors and missing data. To date, they have corrected over 22,000 errors, but there are still more than 4,000 left. These errors will continue to grow if each State does not accurately manage their portfolio on RCFTS.

We are finding that States have obligated loans or grants but do not track them correctly (or not at all) in RCFTS. The name, case number, and loan number in RCFTS must match exactly what is in the Program Loan Accounting System (PLAS). If these items are not accurate or are missing in RCFTS at the time of conversion, the ability to track and service the borrower loan or grant will be lost.

The same is true for guaranteed loans. The loan number at the time of obligation of a guaranteed loan will be 01, 02, etc. However, when you process a guaranteed loan closing, the loan number in the Guaranteed Loan System (GLS) will be 50, 51, etc. The clean-up team found many records that either had a loan number 50 before the loan was closed or a loan number 01 after the loan was closed. They also found a substantial amount of records that had a status code of "closed" in RCFTS, but the closing was never input into GLS. Close attention to these details will improve the accuracy of your portfolio and provide less chance of records not being converted.

Other fields that are essential for implementation are the source of funds code; purpose code; type of assistance code (TOA); and the lender identification number, address, and zip code. The source of funds code and TOA must be complete and correct or the loans/grants WILL NOT be converted. They also drive the pages you will be able to access in the new system. When inputting a new guaranteed loan, please check GLS to

EXPIRATION DATE:  
April 30, 2003

FILING INSTRUCTIONS:  
Community/Business Programs

ensure the lender matches or exists on that system. If it does not, you need to verify with the lender their correct ID and then input the information on the lender screens in GLS. Any unmatched lender ID in RCFTS will convert to 222222222 and require field offices to correct the lender information before further processing or servicing of the loan can be completed. Dates and amounts are important, too. If RCFTS does not have an obligation date, closed date, and amount, the obligation and closed records cannot be created during the conversion process. This means that, if the loan/grant has been obligated and the dates and amount are not in RCFTS, a loan record is not created in RDAPTS. Therefore, manual input of data after RCFTS is converted will not be allowed for loans or grants already obligated.

After the Community Facilities pooling date in August, the team in St. Louis will shut down RCFTS, PLAS, and GLS. You will not have access to these systems until after the data is converted. Due to the enormous error logs, we feel it is imperative to have a cut-off date for obligations, closings, and inputting of information in RCFTS. The systems will be shut down on August 13. This is necessary to allow the conversion team a few days before implementation to double-check accuracy of data and do any necessary clean up. GLS (RDAPTS) is scheduled to be online August 26.

Also, each Business Programs (BP) and Community Facilities (CF) Program Director needs to coordinate with their State Information Resource Manager (IRM) to ensure Employee User IDs are properly authorized to access the new system functionality. All employees who need to process BP or CF applications, record loan servicing actions, run reports, or perform any other action previously completed in RCFTS must have their ID in at least one of the current GLS User Groups. Most employees who have access to GLS should already be part of one of these current groups. The current groups are AA-BI State, AA-BI District, AA-BI Field, AA-CF State, AA-CF District, and AA-CF Field. IRM can verify an employee's authority by accessing the USERPROD option on the NITC televue menu.

It was determined by the National Office that only specially authorized field and State Office employees have the ability to submit the Direct/Grant Obligation Requests and the Guaranteed Obligation Requests. Employees who need the authority to submit direct or guaranteed obligation requests for nightly processing must have their respective User ID added to new "special security groups." IRM has the ability to modify the employee's User ID security profile by placing them in the appropriate user group using the USERPROD option on the NITC televue menu.

The St. Louis IRM staff created new special security groups that include all authority of the current BP and CF security groups, plus the additional authority that allows users to submit obligation requests. The new security groups will accommodate BP and CF Users.

Program Directors must identify employees who should have obligation request authority so the State IRM can associate the employee User ID to the new special security group(s). The new groups are named AA-BI State Special, AA-BI District Special, AA-BI Field Special, AA-CF State Special, AA-CF District Special, and AA-CF Field Special. Typically, someone working in a county office would be placed in the Field group, someone working in a district/area office in the District group, and someone working in the State Office in the State group.

Until the State has an employee User ID associated with at least one of these new groups, they will not have the ability to submit a direct loan, grant, or guaranteed obligation request for the BP or CF loan programs. This also pertains to field office employees who need training on the new system. If they do not have their User ID allowing them to access GLS, they will not be able to access the training database.

Your diligence in keeping accurate data in RCFTS is crucial to ensure a clean conversion. If you have any questions pertaining to the RDAPTS project, please contact Diane Berger, Rural Business-Cooperative Service Specialty Lenders Division Processing Branch (202-720-2383), or Dan Spieldenner, Rural Housing Service Community Facilities Division (202-720-9700).

*(Signed by William F. Hagy III)*

WILLIAM F. HAGY III  
Deputy Administrator  
Business Programs  
Rural Business-Cooperative Service

*(Signed by James C. Alsop)*

JAMES C. ALSOP  
Deputy Administrator  
Community Facilities  
Rural Housing Service

June 20, 2002

SUBJECT: Clarification of Procedures for Computer Related Trouble Calls  
at RD Headquarters

TO: Rural Development National Office Employees

FROM: Thomas Hannah  
Acting Chief Information Officer

Information Resource Management (IRM) reminds all Rural Development (RD) employees in the National Headquarters Office in Washington D.C. of the procedures for obtaining support on all computer related problems. In our continuing efforts to provide quality service to our customers, IRM has outlined the existing procedures below for clarification and your convenience. Please review and follow these procedures as specified below:

1) Call your System Administrator (SA) with the problem - When you experience a computer related problem or have a request for a computer related service (such as account changes, equipment moves, etc.), you should first contact your business line SA (see attached list). The SA will either resolve the issue or call the appropriate contractor to request service. The SA will determine if the call is hardware related, in which case they will call the hardware maintenance contractor, or software related, in which case they will call the Headquarters IT Help Desk contractor. Your SA will track your trouble ticket status and work with the IRM office and contractors to resolve the problem.

If your SA, or your SA's designated backup, is unavailable, you may call the Headquarters IT Help Desk directly at 202-690-0283 or the Hardware Maintenance Hotline at 1-800-426-4575. At the time of the call, the Help Desk operator will assign and tell you a ticket number. This ticket number will be used to track your problem. It is important that you record the ticket number, the time you called, and the name of the Help Desk contractor who took your call. You should ask for an estimate as to when a support person will arrive and make arrangements for meeting the person. The following are the response times for which we have contracted:

<u>Problem Type</u>	<u>Performance Requirement</u>
Software/Network/Email	4 hours to respond, 8 hrs to complete
Software/Network/Email Priority Personnel*	2 hrs to respond, 4 hrs to complete
Hardware	6 hrs to complete

EXPIRATION DATE:  
June 14, 2003

FILING INSTRUCTIONS:  
Administrative/Other Programs



2) Be present at the visit - When the contractor comes to work on your problem, please make yourself available while they are working so that any questions by the technician can be answered promptly. We recommend that you get the name of the technician who attends to your problem and note the time they arrive. Certain problems will require the contractor to leave your area and return later to finish the work. We suggest you get the contractor to give you an estimate for their return.

3) Close the ticket – Once the work is complete, it is up to you to check that your problem is resolved and to acknowledge that you are satisfied with the fix. You signify this by signing the trouble ticket. The contractor will have two tickets, one for your records, which you should accept, and one to sign. Do not sign the ticket if you are not satisfied with the fix or if you are not sure the problem has been resolved. When you are satisfied, please sign, date, and note the time when you accept completion of the work. One caution – do not let others sign off for you and do not sign for others. Any signature could cause work to be validated that is not complete or that could be unacceptable to the person who made the original call.

4) Report all performance issues to IRM - On occasion, you may experience problems with the support you are receiving or have legitimate complaints on the service. There is a formal contract process for resolving these problems. Both contracts are “performance based” and the government is entitled to monetary compensation should valid performance problems be identified. If problems occur, please contact Linda Followell at 202-720-9676 (Linda.Followell@usda.gov) for problems with the Headquarters IT Help Desk contract (Software/Network/Email) or Mike Howes at 703-605-4373 (mhowes@rdmail.rural.usda.gov) for problems with the Hardware Maintenance Hotline contract. Linda is the Contract Officer’s Technical Representative (COTR) for the Intergroup Business Associates contract and Mike is the Contract Officer’s Representative (COR) for the IBM contract. Both are responsible for the quality assurance for these contracts and will fill out an official report form for you, research the issue, and get back to you on the resolution. You will need to provide them with the information we asked you to document in steps 2 and 3 above – the ticket number, dates and times, contract support person’s name and the nature of the complaint.

Should you have questions or concerns, or if you would like to compliment or complain, please contact Andy Mills at 202-692-0055 (amills@rdmail.rural.usda.gov).

\* Note: Priority Personnel are identified by name in the contract. All RD senior managers are included on the list and other RD staff members have been included at the request of their SA. Should you require that you be added to the Priority Personnel list, or if you would like to verify that you are on the list, please contact your SA or Andy Mills.

Attachment

Sent by electronic Mail on 06-21-02 at 10:00 a.m. by IRM.

NAME	ORGANIZATION	PHONE
Andrew Jermolowicz	RBS-CMD	690-1416
Jeanette Waters	RBS-DABP	720-4059
Steve Thompson	OM-LPAS	720-2446
Arlene Pitter	OM-FMD	692-0083
Bernie Ellsworth	OM-HR	692-0223
Bill French	OM-PAD	690-4741
David Chilton	OM-CRS	692-0104
Helen Cordero	OM-CRS	692-0092
Brad Schwartz	OM-BU	692-0140
Judy Steer	OM-SSD	692-0012
Brinder Billups	OM-PMD	692-0247
Suzanne Hooley	OM-MCS	692-0051
Cedric Braggs	OM-CSD	692-0060
Rick Coleman	OM-MSD	605-4326
Change Singla	OM-SIMB	605-4389
Bruce Miller	OM-RUND	692-0148
Don Standers	RHS-PSS	720-2960
Norma Gavin	RHS-MFH	720-1603
Bob Nelson	RHS-SFH	720-9705
Megan McClincey	RHS-CF	720-1507
Toni Brown	RBS-OCD	690-0719
James MacMaster	OM-HRTD	401-9701
Jeanne Jacobs	OM-SSD	692-0040
Webster Lewis	RUS/PASD	720-0785
Gerald Nugent	RUS/TSD	720-0715
Ken Chandler	RUS/SWAT	720-0800
Loughton Sargeant	RUS/EAT	720-1607
Vida Rice	RUS/NWAT	720-1025
Scott Barringer	RUS/WEP	720-9643
Harvey Bowles	RUS/ESD	720-0980
Prashant Patel	RUS/PSD	720-8936
Doug Jenkins	RUS/NRD	720-0453
William Anderson	RUS/SRD	720-1424
Lou Riggs	RUS/SRD	720-8437
Marshall Duvall	RUS/ESD	720-0096
Mike Foster	RUS/PDRA	720-2747
Michelle Brooks	RUS/PDRA	720-1078
Ivor Lunking	RUS/FSS	720-0794
Peter Aimable	RUS/SWAT	720-0806
Patrick Sarver	RUS/AAE	690-2992

June 20, 2002

SUBJECT: Interest Rate for Direct Business  
and Industry Loans

TO: Rural Development State Directors,  
Rural Development Managers,  
and Community Development Managers

The following interest rate is in effect July 1, 2002, through September 30, 2002.

<u>Loan Type</u>	<u>Existing Rate</u>	<u>New Rate</u>
Direct Business and Industry	4.750%	4.750%

Please notify appropriate personnel of this rate.

*(Signed by John Rosso)*

JOHN ROSSO  
Administrator  
Rural Business-Cooperative Service

Sent by Electronic Mail 06/21/02 at 3:22 p.m. by PAD.

EXPIRATION DATE:  
September 30, 2002

FILING INSTRUCTIONS:  
Administrative/Other Programs

June 21, 2002

SUBJECT: Interest Rates for Water and Waste Disposal  
Loans, Watershed Protection and Flood  
Prevention Loans, and Resource Conservation  
and Development Loans

TO: Rural Development State Directors,  
Rural Development Managers,  
and Community Development Managers

Effective from July 1, 2002 through September 30, 2002, the interest rates for Water and Waste Disposal Loans are as follows:

Poverty Line.....unchanged at.....4.500%  
Intermediate.....unchanged at .....4.750%  
Market.....increased to .....5.125%

Also, the rate for Watershed Protection and Flood Prevention Loans and Resource Conservation and Development Loans is as follows:

CURRENT RATE	NEW RATE
5.000%	5.125%

Please notify appropriate personnel of these rates.

***(Signed by Hilda Gay Legg)***

Hilda Gay Legg  
Administrator  
Rural Utilities Service

Sent by Electronic Mail on 06/21/02 at 3:20 p.m. by PAD.

EXPIRATION DATE:  
September 30, 2002

FILING INSTRUCTIONS:  
Administrative/Other Programs

June 24, 2002

SUBJECT: A-76 Competitive Sourcing Plan

TO: Rural Development State Directors

Attached please find the Department of Agriculture's approved Competitive Sourcing Plan dated May 14, 2002. Also attached for your information is Enclosure (1) with Rural Development's total FTE of commercial functions that was approved for outsourcing. The 151 FTE to be considered for competitive sourcing represents 15% of the 963.5 commercial functions identified in the mission area FY 2000 A-76 submission. The approved plan will be posted on the Intranet at <http://rdintra.usda.gov> and on the Internet at <http://rdinit.usda.gov/regs>.

Rural Development will be meeting with the Department the latter part of July to discuss the implementation plan and the timelines for completion.

States with Unions are to provide a copy of Enclosure (1) to their exclusive representatives. Though there are no labor relation obligations to fulfill at this time, it is the intent of the administration to keep the Unions informed throughout this process.

We encourage you to share this information with ALL employees. As additional information is available we will keep you informed.

EXPIRATION DATE:  
June 19, 2003

FILING INSTRUCTIONS:  
Administrative/Other Programs

If you have further questions or need clarification please contact Leroy Jones in the Financial Management Division on (202) 692-0082 or email at [lerjones@rdmail.rural.usda.gov](mailto:lerjones@rdmail.rural.usda.gov).

*(Signed by Sherie Hinton Henry)*

SHERIE HINTON HENRY  
Deputy Administrator  
for Operations and Management

Attachments



United States  
Department of  
Agriculture

Office of the Chief  
Financial Officer

1400 Independence  
Avenue, SW

Washington, DC  
20250

TO: Subcabinet Officials  
Agency Heads  
Staff Office Directors

FROM: Edward McPherson  
Chief Financial Officer

MAY 31 2002

SUBJECT: A-76 Competitive Sourcing Plan

The Secretary approved the Department's Competitive Sourcing Plan on May 14, 2002 (Attachment 1).

The responsibility for leading and implementing the President's Initiative to meet the September 2003 deadline clearly rests with the Subcabinet. Each USDA mission area/agency and staff office provided their organization's plan for meeting this initiative. Each Subcabinet official should establish an internal review process to monitor progress, resolve issues, and maintain schedules. OCFO will develop an internal scorecard to monitor the Department's progress by agency and mission area.

Attachment 2 is a revised program timeline for the Department. The steps in this timeline are the minimum milestones to track progress toward our direct conversion and/or public/private competition goals.

While discussing and building our competitive sourcing plan, I received several recommendations to improve our execution of the competition requirements outlined in OMB Circular A-76. In addition to the steps outlined in the OMB Circular and Handbook, mission areas should:

- Conduct civil rights impact analyses in conjunction with your study plans.
- Coordinate with agency communication offices to manage information flow and content to external stakeholders and media contacts.
- Conduct discussions with labor organizations and meet labor-management obligations, as appropriate.
- Ensure Human Resources (HR) offices are fully engaged in the competitive sourcing process to assist with personnel record review and updates, employee communications, performance work statements (PWS's), Most Efficient Organizations (MEO's), employee assistance and retraining, and other staffing-related functions.
- Develop plans for ensuring that adequate administrative support (including procurement) continues to exist to support mission delivery. Up-front involvement of contracting personnel in the development of PWS's is essential.
- To the maximum extent possible, tie your competitive sourcing plan to your human capital plan.

To keep abreast of our progress in meeting competitive sourcing goals, my office will contact each mission area to set a time and place for a competitive sourcing/A-76 progress review meeting during the latter part of July 2002. Prior to that time, my staff will forward to you an agenda for the meeting.

Attachments

cc: Joseph Marshall, ACFO, P&P  
Donna Bateman, CTAP  
Agency FAIR Act/A-76 Coordinators, w/o Attachment 1



United States Department of Agriculture

Office of the Secretary  
Washington, D.C. 20250

MAY 14 2002

The Honorable Mitchell E. Daniels, Jr.  
Director  
Office of Management and Budget  
17<sup>th</sup> and Pennsylvania Avenue, N.W.  
Washington, D.C. 20503

Dear Director Daniels:

On January 4, we provided you with a summary of the Department's plan to meet the Administration's competitive sourcing goal by September 2003. Enclosed is a detailed plan of the specific positions we intend to compete or convert as part of Phase I of our plan.

In addition, we are also now focusing on USDA-wide functions, including the structure and initiatives for county-based agencies. As we finalize the tasks, we will incorporate additional changes, as necessary, to our competitive sourcing plans.

If you have any questions, please contact Edward R. McPherson, Chief Financial Officer, at (202) 720-5539.

Sincerely,

A handwritten signature in black ink, appearing to read "Ann Veneman", written over a horizontal line.

Ann M. Veneman  
Secretary

Enclosure



**AGENCY A-76 PLAN CHECKLIST (See OMB Circular No. A-76 for Additional information/details.)**

Event	Deadline (Not Later Than)
1. Agency selects functions for competition and provides its plan to OCFO.	January 11, 2002
2. Agency meets with Ted McPherson, Chief Financial Officer, USDA.	January 14-18, 2002
3. Agency provides training and necessary contract support.	April 30, 2002
4. USDA Secretary approves Competitive Sourcing (CS) Plan.	May 14, 2002
5. Agency decides competitive sourcing method(s) to be used: direct conversion and/or public/private competition.	May 31, 2002
6. USDA OHRM conduct national consultation with labor organizations	June 7, 2002
7. Agency discusses plan with labor organization.	June 14, 2002
8. Tier 1 – Direct Conversion:	
➤ Direct Conversion requires no cost comparison. The following steps must be taken:	
a. Identify functions	June 7, 2002
b. Coordinate with Human Resources unit	June 7, 2002
c. Inform employees and union.	June 14, 2002
d. Develop the Performance Work Statement (PWS)	August 1, 2002
e. Conduct solicitation	September 1, 2002
9. Tier 2 - Public/Private Competition:	
➤ Public/Private Competition requires a cost comparison. The following steps must be taken:	
a. Public Notification	June 7, 2002
b. Union Notification	June 14, 2002

Event	Deadline (Not Later Than)
c. Employee Notification	June 14, 2002
d. Appoint the following teams/officials: Cost comparison study team, performance work statement (PWS) team, most efficient organization (MEO) team, cost estimate team, independent review official (IRO), technical evaluation team, source selection official, appeals board, appeals official.	July 1, 2002
e. Perform a management study to determine the Government's MEO.	February 28, 2003
f. Develop a PWS and Quality Assurance Surveillance Plan (QASP)	February 28, 2003
g. Develop an in-house government cost estimate.	February 28, 2003
h. Establish an Independent Review Office (IRO), and perform the independent review of the cost estimate, PWS, management plan, and QASP.	March 31, 2003
i. Submit cost comparison form and supporting data to the contracting officer.	March 31, 2003
j. Issue the Request for Proposal (RFP) or Invitation for Bid (IFB).	April 30, 2003
10. Compare the in-house bid against a proposed contract or Interservice Support Agreements (ISSA) price.	June 30, 2003
11. Selection of bid.	July 31, 2003

Note: Following the A-76 cost comparison decision; the A-76 administrative appeals process is invoked.

U.S. Department of Agriculture  
Commercial FAIR Act Inventory  
Positions for Competitive Sourcing

Organization	Location	FTE	Function	Direct Conversion/ Cost Comparisons (DC/CC)	Responsible Person	
Rural Development					Name	Number
			B-Personnel Management			
<b><u>Rural Development</u></b>	DC	1	Employee Relations Support	CC	Neil Storms	202-401-9702
			C-Finance and Accounting			
	MO	33	Accounts Receivable	CC	Patricia Gruenloh	314-206-2818
	MO	14	Collections	CC	Christine Burgess	314-539-2360
	MO	2	Administrative Support	CC	Christine Burgess	314-539-2360
			D-Regulatory and Program Management			
			Support Services			
Rural Development	DC	0.5	Administrative Support	CC	Carl Muhlbauer	202-690-2141
Rural Development	MO	8	Administrative Reviews	CC	Patricia Gruenloh	314-206-2818
			S-Installation Services			
Rural Development	DC	4	Other Installation Services	DC	Sharon Randolph	202-692-0207
Rural Development	MO	23	Debt Collection	CC	Patricia Gruenloh	314-206-2818
Rural Development	MO	1	Motor Vehicle Operation	DC	Sharon Randolph	202-692-0207
Rural Development	MO	2	Other Installation Services	DC	Sharon Randolph	202-692-0207
			T-Other Nonmanufacturing Operations			
Rural Development	DC	6	Administrative Support Services	CC	Carl Muhlbauer	202-690-2141
Rural Development	DC	1.5	Special Studies and Analysis	CC	Carl Muhlbauer	202-690-2141
Rural Development	DC	3	Administrative Support Services	DC	Sharon Randolph	202-692-0207
Rural Development	MO	31	Other Nonmanufacturing Operations		Patricia Gruenloh	314-206-2818
Rural Development	MO	1	Visual Information	DC	Sharon Randolph	202-692-0207
	MO	2	Administrative Support Services	DC	Sharon Randolph	202-692-0207
			U-Education and Training			
Rural Development	DC	2	Training Development and Support	CC	Neil Storms	202-401-9702
Rural Development	MO	1.5	Training Development and Support	CC	Neil Storms	202-401-9702

Rural Development	MO	2	Specialized Skill Training	CC	Neil Storms	202-401-9702
			W-Automatic Data Processing			
Rural Development	DC	1	Other ADP Functions	CC	Carl Muhlbauer	202-690-2141
Rural Development	DC	0.5	Other ADP Functions	DC	Sharon Randolph	202-692-0207
Rural Development	MO	11	Data Center Operations	CC	Christine Burgess	314-539-2360
Total FTE – RD		<u>151</u>				

June 26, 2002

TO: All State Directors  
Rural Development

ATTENTION: Single Family Housing Program Directors

FROM: Arthur A. Garcia      *(Signed by Arthur A. Garcia)*  
Administrator  
Rural Housing Service

SUBJECT: Revised Balancing Single Family Housing Direct Loan Underwriting  
Objectives With Serving the Most Needy Applicants

This unnumbered letter replaces the letter dated May 23, 2002, of the same subject. This letter is being reissued to revise the review requirements for withdrawn or rejected applications. Revisions to the original memorandum are in bold. Please note that no revisions were made to the attachments.

The purpose of this memorandum is twofold, both intents having equal weight. The memorandum will refocus attention to the importance of achieving high quality loan underwriting while still serving the most needy applicants. The memorandum will also call upon States to analyze the relationship between loan underwriting and first year delinquency.

#### LOAN UNDERWRITING

Quality loan underwriting not only ensures that we properly and prudently use funds, it impacts the first year delinquency rate. The first year delinquency rate reflects our ability to provide our borrowers with the necessary skills and tools to become successful homeowners and impacts the longevity of the program. High quality loan underwriting coupled with homeownership education can contribute to a reduction in the first year delinquency rate thus supporting continued funding of our programs.

EXPIRATION DATE:  
June 30, 2003

FILING INSTRUCTIONS:  
Housing Programs

As of April 30, 2002, the first year delinquency rate was 2.34 percent. This low rate can be attributed to improvements in our loan underwriting and loan servicing methods, enhancements to our computer systems, the Centralized Servicing Center (CSC), and the continued efforts of our State and Field Office staff. There is, however, room for improvement, which is evident by the fact that within the last 12 month period as of May 1, 2002, 14.8 percent of the first year delinquent accounts were in foreclosure, 6.7 percent were in moratorium, and 5.2 percent were in bankruptcy.

### SERVING THE NEEDIEST APPLICANTS

The highest quality of loan underwriting does not entail the rejection of all applicants with any blemish regardless of magnitude. The highest quality of loan underwriting requires that the loan be made in accordance with the 7 CFR Part 3550 and the accompanying handbook, but it also requires the Agency explore every avenue available to make homeownership possible for our applicants. Were all compensating factors considered? Was a credit waiver granted if there were justifiable reasons? Did the Agency aid the applicant in seeking homeownership education or counseling? If the Agency rejects an application without considering underwriting allowances, then we failed to properly serve our customers.

### STATE OFFICE MONITORING

State Offices should monitor their first year delinquency rates using the monthly report prepared by the Collection Services Branch in CSC. This report contains an attachment that provides the rolling new loan delinquency rates for the last 12 months. In addition, State Offices can obtain first year delinquency data using the FOCUS Ad Hoc Reporting System (see Attachment III for instructions). On a quarterly basis, State Offices should conduct a review of all Field Offices with a first year delinquency rate that has remained above the State average for the preceding 3-month period. For those Field Offices that fall within this category, State Offices are asked to conduct an onsite visit or request case files to conduct a review of the delinquent loans made in those Field Offices during the fiscal year to date. State Offices should also review first year delinquent loans involving foreclosures, bankruptcies, delinquency workout agreements, and moratoriums. Attachment I, "Single Family Housing Oversight Review," should be completed on each case file reviewed.

The National Office will hold quarterly teleconferences with selected States to discuss their first year delinquency and monitoring efforts. Special emphasis will be placed on the following elements: foreclosures, bankruptcies, delinquency workout agreements, and moratoriums. During these teleconferences, the results of the oversight reviews will be discussed and action plans to improve loan underwriting will be developed. Notification of these teleconferences will be issued to the selected States by the 10<sup>th</sup> day of the month following the end of the quarter (January 10<sup>th</sup>, April 10<sup>th</sup>, July 10<sup>th</sup>, and September 10<sup>th</sup>). Given the date of this memorandum, the first notification will be issued by July 10, 2002.

**At the end of each quarter, State Offices should also conduct a review of at least 5 percent or three, whichever is greater, complete applications that were withdrawn or rejected in each Field Office during that quarter. Do not include pre-qualifications (product code of 999) in the review. Please note that this review is designed for all offices, not just those offices subject to the oversight review. Attachment II, "Single Family Housing Withdrawn/Rejected Review," should be completed on each selected application. The results of the review should be used for training the Field Office staff.**

If you have any questions regarding this memorandum, please contact Brooke Baumann of the SFHDLD at (202) 690-4250.

Attachments

**Attachment I****Single Family Housing Oversight Review**

Borrower's Name:		Account Number:	
Date review was completed:			
RHS Loan Amount: \$		RHS % of Total:	
Leveraged Loan (LL) Amount: \$		LL % of Total:	
LL Amount: \$		LL % of Total:	
Grant Amount: \$		Grant % of Total:	
Grant Amount: \$		Grant % of Total:	
Appraised Value: \$			
Date loan was obligated:		Date loan closed:	
Check if applicable:	RHLP Loan:	CDFI Loan:	Self-Help Loan:
Account status as of date of review:			
Check if applicable:	Loan in Foreclosure:	Borrower in Bankruptcy:	Loan in Moratorium:
	Delinquency Workout Agreement in Effect:		

**I. CREDIT:**

1. Date of the last residential mortgage credit report (RMCR): \_\_\_\_\_
2. Does the credit meet the standards outlined in the 7CFR 3550.53 (h) and HB-1-3550, Chapter 4, Section 3? \_\_\_\_ (Yes) \_\_\_\_ (No). If not, explain.
3. Was a waiver granted if the credit requirements were not met? \_\_\_\_ (Yes) \_\_\_\_ (No)
4. Was Form RD 1944-61, "Credit History Worksheet" used to summarize the credit history? \_\_\_\_ (Yes) \_\_\_\_ (No). If not, explain.



## **II. RATIOS:**

1. The PITI and TD ratios at loan closing: \_\_\_\_\_% and \_\_\_\_\_% (respectively)
2. Were the ratio calculations completed in UniFi? \_\_\_\_\_ (Yes) \_\_\_\_\_ (No). If not, explain.
3. Did the ratios meet the requirements outlined in the 7 CFR 3550.53 (g) and HB-1-3550, Chapter 7, Section 4? \_\_\_\_\_ (Yes) \_\_\_\_\_ (No). If not, explain.
4. For leveraged loans, was the lender's payment considered in both the PITI and TD ratios? \_\_\_\_\_ (Yes) \_\_\_\_\_ (No). If not, explain.

## **III. VERIFICATION/CALCULATION OF INCOME AND ASSETS:**

1. At the time of eligibility determination, loan obligation/approval, and loan closing, were the income verifications valid (less than 90 days old from the date of the action unless orally re-verified when the written verification expired thus extending the verification an additional 60 days)? \_\_\_\_\_ (Yes) \_\_\_\_\_ (No). If not, explain.
2. Did the income meet the requirements outlined in the 7 CFR 3550.53 (a) and (g) and HB-1-3550, Chapter 4, Sections 1 and 2? \_\_\_\_\_ (Yes) \_\_\_\_\_ (No). If not, explain.

## **IV. PAYMENT ASSISTANCE AGREEMENT:**

1. Date of Form RD 1944-14, Payment Assistance/Deferred Mortgage Assistance Agreement:  
\_\_\_\_\_
2. Was the form completed in accordance with the 7 CFR 3550.68 and HB-1-3550, Chapter 7, Section 3? \_\_\_\_\_ (Yes) \_\_\_\_\_ (No). If not, explain.

Date the agreement was activated in FASTeller: \_\_\_\_\_

Was the agreement activated timely and properly? \_\_\_\_\_ (Yes) \_\_\_\_\_ (No). If not explain.

## Attachment II

### Single Family Housing Withdrawn/Rejected Review

Applicant's Name: \_\_\_\_\_ Account Number: \_\_\_\_\_

1. Was the applicant's PITI and TD ratio calculated correctly? Yes or No
2. Were all sources of income considered? Yes or No
3. Were all allowable deductions made? Yes or No
4. If the applicant lacked adequate repayment ability, were they counseled about adding additional parties to the note or locating a cosigner? Yes or No or N/A
5. If the applicant's adjusted income did not exceed 60 percent of the applicable area median income and the conditions outlined in HB-1-3550 Chapter 7 were met, was a 38-year term considered? Yes or No or N/A
6. If the applicant's family was experiencing unreimbursed medical expenses in excess of 3 percent of annual income, was the applicable asset limit increased by the amount of the medical expenses in excess of 3 percent of annual income? Yes or No or N/A
7. Were any of the following compensating factors applicable but not considered in the eligibility determination? Yes or No or N/A
  - Payment History: The applicant historically paid a greater share of income for housing with the same income and debt level.
  - Savings History: The applicant had accumulated savings and a savings history that showed a capacity to set aside a larger-than-average portion of income.
  - Job Prospects: The applicant recently entered a profession in which he/she could expect a significant pay increase.
  - Adjustments for Nontaxable Income: The applicant had a source of income not subject to Federal taxes, which could be grossed up.
1. If the applicant had credit blemishes, did the local office explore the reasons behind the occurrences to ascertain if a credit waiver was feasible? Yes or No or N/A
2. Were applicable appeal and ECOA rights provided? Yes or No

**FOCUS Report – First Year Delinquency Data**

1. Log into FOCUS through NITC
2. Press F3 from page 1 of the FOCUS Main Menu
3. At the FOCUS prompt (“>”) type:  
tso copy ‘aff915.focexec.data(newloan)’ ‘af\_\_\_\_.focexec.data(newloan)’ and press the  
“Enter” key. (Please note that af\_\_\_\_ represents your user id number.) This will copy the  
report into your directory.
4. Run the report

Questions concerning the execution of this FOCUS report should be directed to:

Mary P. Leidl  
ITS/CSCB  
ml121@stl.rural.usda.gov  
Phone: 314-206-2723  
Fax: 314-206-2100

June 27, 2002

SUBJECT: Rural Business Enterprise Grant Program  
Empowerment Zones/Enterprise Communities and  
Rural Economic Area Partnerships  
Fiscal Year 2002 Second Funding Round Selections

TO: State Directors, Rural Development

ATTN: Business Programs Directors

We have recently completed the second funding cycle for the Empowerment Zones/Enterprise Communities (EZ/EC) and Rural Economic Area Partnerships (REAP). The National Office received 18 requests for funds totaling \$3,162,606. We are pleased to announce that all requests, which competed, were selected for funding. They are as follows:

<u>State</u>	<u>Applicant</u>	<u>Amount Awarded</u>
GA	Dooly County	\$99,999
TN	Town of Somerville	\$99,900
IL	Shawnee Community College District	\$50,000
KY	Kentucky Highlands Investment Corporation	\$199,000
ME	Northern Maine Development Community	\$95,000
ND	City of Hannaford	\$137,470
FL	City of Marianna	\$399,600
OR	Southern Oregon Regional Economic Development, Inc.	\$200,000
WV	Lightstone Community Development Corporation	\$61,670
SC	Western Carolina Higher Education Commission	\$163,450
CA	Calexico Neighborhood House	\$399,962
NC	Robeson Enterprise Community Development Corporation	\$300,000
GA	Warren County Development Authority	\$83,280
IL	County of Pulaski	\$157,000
KY	Southern Kentucky Economic Development	\$199,000
ND	City of Hettinger	\$49,775
IL	Johnson County 2000, Inc.	\$220,000
IL	Pulaski County Development Association, Inc.	\$247,500
	Total	\$3,162,606

EXPIRATION DATE:  
September 30, 2002

FILING INSTRUCTIONS:  
Community/Business Programs

The EZ/EC and REAP second funding round completes the cycles established in RD Instruction 1940-L. All earmarked funds that were allocated must have an obligation date of no later than June 30, 2002. Any funds not obligated by that date will be pooled and used for regular Rural Business Enterprise Grant Program (RBEG ) National Office reserves. A balance of approximately \$512,000 remains from the earmark funding and will be transferred to the regular RBEG National Office reserve.

The next deadline for National Office reserve requests for funds is close of business June 28, 2002; approximately \$1.2 million will be available for competition. All requests must be e-mailed to Amy Cavanaugh (Amy.Cavanaugh@usda.gov) by close of business June 28, 2002.

***(Signed by William F. Hagy III)***

WILLIAM F. HAGY III  
Deputy Administrator  
Business Programs

June 27, 2002

SUBJECT: Rural Business Enterprise Grant Program  
Lower Mississippi Delta Earmark  
Fiscal Year 2002 Second Funding Round Selections

TO: State Directors, Rural Development

ATTN: Business Programs Directors

We have recently completed the second funding cycle for the Lower Mississippi Delta earmark. There were 13 requests for funds totaling \$2,194,238. We are pleased to announce that three requests were selected for funding. They are as follows:

<u>State</u>	<u>Applicant</u>	<u>Amount Awarded</u>
MO	City of Fredericktown	\$99,999
TN	Town of Whiteville	\$99,000
MS	Warren County	\$372,923
	Total	\$571,922

Projects selected under the Lower Mississippi Delta earmark must use the type of assistance code "313" when obligating. This will completely deplete the Lower Mississippi Delta earmark.

*(Signed by Pandor H. Hadjy) for*

WILLIAM F. HAGY III  
Deputy Administrator  
Business Programs

EXPIRATION DATE:  
September 30, 2002

FILING INSTRUCTIONS:  
Community/Business Programs

June 27, 2002

SUBJECT: Rural Business Enterprise Grant Program  
Native American Earmark  
Fiscal Year 2002 Second Funding Round Selections

TO: State Directors, Rural Development

ATTN: Business Programs Directors

We have recently completed the second funding cycle for the Native American earmark. There were nine requests for funds totaling \$967,018 that competed in the second funding cycle. We are pleased to announce that all requests were selected. They are as follows:

State	Applicant	Amount Awarded
AZ	Gila River Indian Community	\$65,221
ME	Four Directions Development Corporation	\$300,000
OK	Kialegee Tribal Town	\$92,270
MT	Ktunaxa Community Development Corporation	\$21,000
WA	Stillaguamish Tribe of Indians	\$99,467
SD	Four Bands Community Funds, Inc.	\$50,000
AZ	Yavapai-Apache Nation	\$200,000
OK	Miami Business Development Authority	\$96,800
MT	Four Times Foundation, Inc.	\$42,260
	Total	\$967,018

Projects selected under the Native American earmark must use the type of assistance code "310" when obligating. The next deadline for Native American requests is close of business August 30, 2002; approximately \$575,500 will be available for competition. All requests should be e-mailed to Amy Cavanaugh (Amy.Cavanaugh@usda.gov) by close of business August 30, 2002.

*(Signed by William F. Hagy III)*

WILLIAM F. HAGY III  
Deputy Administrator  
Business Programs

EXPIRATION DATE:  
September 30, 2002

FILING INSTRUCTIONS:  
Community/Business Programs

June 27, 2002

SUBJECT: Rural Business Opportunity Grant Program  
Empowerment Zones/Enterprise Communities and  
Rural Economic Area Partnerships Earmark  
Fiscal Year 2002 Second Round Funding Selections

TO: State Directors, Rural Development

ATTN: Business Programs Directors

We have recently completed the second funding cycle for the Empowerment Zones/Enterprise Communities (EZ/EC) and Rural Economic Area Partnerships (REAP) earmark. There were 18 requests for funds competing for a totaling of \$1,404,715. We are pleased to announce that six requests were selected for funding, totaling \$530,305, as follows:

State	Applicant	Amount Awarded
ME	Northern Maine Development Com.	\$50,000
WV	Central Appalachian Arts and Crafts Cooperative, Inc.	\$31,260
CA	City of Coachella	\$50,000
NY	Tioga County	\$250,000
IL	Southernmost Illinois Delta Empowerment Zone	\$100,000
ND	Griggs-Steel Empowerment Zone, Inc.	\$49,045
	Total	\$530,305

All EZ/EC/REAP earmarked funds have been used. Any applications remaining on the EZ/EC/REAP earmark list will be removed. Please provide notification to all applicants that were not selected for funding.

Thank you for your efforts and continued support for the Rural Business Opportunity Grant Program.

*(Signed by William F. Hagy III)*

WILLIAM F. HAGY III  
Deputy Administrator  
Business Programs

EXPIRATION DATE:  
September 30, 2002

FILING INSTRUCTIONS:  
Community/Business Programs



June 27, 2002

SUBJECT: Rural Business Opportunity Grant Program  
Mississippi Delta Earmark  
Fiscal Year 2002 Second Round Funding Selections

TO: State Directors, Rural Development

ATTN: Business Programs Directors

We have recently completed the second funding cycle for the Mississippi Delta earmark. There were fourteen requests for funds competing for a total of \$986,757, of which only \$469,400 is available. We are pleased to announce that seven requests were selected for funding, totaling \$459,347, as follows:

<u>State</u>	<u>Applicant</u>	<u>Amount Awarded</u>
MO	Missouri Soybean Association	\$40,000
TN	University of Tennessee – Martin	\$60,270
LA	Lake Providence Port Commission	\$50,000
IL	Hamilton County Economic Development Commission, Inc.	\$50,000
TN	University of Tennessee – Knoxville	\$29,077
MO	Adopt-A-Farm Family (of America), Inc.	\$180,000
IL	Southeastern Illinois Regional Planning Commission	\$50,000
	<b>Total</b>	<b>\$459,347</b>

All applications remaining on the Mississippi Delta earmark list will be added to the National Office Reserve list unless we receive notification from the State to remove them or hold them over for third round funding. A total of \$10,053 will be available for the third funding cycle. Any requests for these funds must be received in our office by close of business on August 30, 2002. Rural Business-Cooperative Service will not be able to approve any request which totals more than \$10,053.

EXPIRATION DATE:  
September 30, 2002

FILING INSTRUCTIONS:  
Community/Business Programs

Thank you for your efforts and continued support for the Rural Business Opportunity Grant Program.

*(Signed by William F. Hagy III)*

WILLIAM F. HAGY III  
Deputy Administrator  
Business Programs

June 27, 2002

SUBJECT: Rural Business Opportunity Grant Program  
Native American Earmark  
Fiscal Year 2002 Second Round Funding Selections

TO: State Directors, Rural Development

ATTN: Business Programs Directors

We have recently completed the second funding cycle for the Native American earmark. There were nine requests for funds competing for a total of \$519,309. We are pleased to announce that eight of the nine requests were selected for funding, totaling \$469,309, as follows:

State	Applicant	Amount Awarded
SD	Four Bands Community Fund, Inc.	\$50,000
OK	Adair County Indian Credit Association	\$22,000
NM	Ancient Storytellers Learning Center, Inc.	\$75,000
NE	Santee Sioux Tribe of Nebraska	\$50,000
UT	Rocky Mountain Farmers Union Educational & Charitable Foundation	\$46,545
WA	Spokane Tribe of Indians	\$49,804
OR	The Klamath Tribes	\$50,000
NM	Pueblo of Jemez	\$125,960
	<b>Total</b>	<b>\$469,309</b>

All applications remaining on the Native American earmarked list will be added to the National Office Reserve list unless we receive notification from the State to remove them or hold them over for third round funding. A total of \$21,539 will be available for the third funding cycle. Any requests for these funds must be received in our office by close of business on August 30, 2002. Rural Business-Cooperative Service will not be able to approve any request which totals more than \$21,539.

EXPIRATION DATE:  
September 30, 2002

FILING INSTRUCTIONS:  
Community/Business Programs

Thank you for your efforts and continued support for the Rural Business Opportunity Grant Program.

***(Signed by William F. Hagy III)***

WILLIAM F. HAGY III  
Deputy Administrator  
Business Programs

June 29, 2002

SUBJECT: Secretary's Management Report to Congress  
October 1, 2001 – March 31, 2002

TO: National Office Officials  
Rural Development State Directors

The United States Department of Agriculture's Secretary's Management Report to Congress on final actions taken on audit recommendations was prepared in accordance with the Inspector General Act Amendments of 1988. The United States Department of Agriculture submitted this report to Congress on June 7, 2002.

This report reflects management's implementation of audit recommendations contained in audit reports issued by the Office of Inspector General and explains why action on audits remains incomplete 1 year from the management decisions.

The report is posted on the Office of the Chief Financial Officer's web page at <http://www.usda.gov/ocfo/>. Please review the mission area entries for nationwide and state audits remaining open for more than one year after the management decision date. Considerable progress has been made by the mission area agencies in resolving these audit issues, and we need to continue working towards assuring management decisions are rendered and final actions are taken in accordance with the agreed to management decisions.

EXPIRATION DATE:  
September 30, 2002

FILING INSTRUCTIONS:  
Administrative/Other Programs

If you have any questions, please contact Rochelle Diamond of the Financial Management Division at 202-692-0077.

*(Signed by Sherie Hinton Henry)*

SHERIE HINTON HENRY  
Deputy Administrator  
for Operations and Management

Sent by electronic Mail 7/1/02 at 11:10a.m. by FMD.